

DANMARKS NATIONALBANK

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Danes invest over half of their available funds

In the past year, Danish households have made good returns on rising global stock markets. At the same time, the low interest rates have increasingly been reflected in the form of negative deposit rates for private customers. These factors have contributed to households over the past year investing more than half of their available funds in investment certificates or directly as purchases of stocks and bonds.

For every 100 kroner, 40 enters investment funds

When Danes invest in the financial markets, it is mainly through active or passive investment funds. Over the past year, for every kr. 100 households have saved up in financial assets, kr. 40 have been

invested via investment funds. In comparison, households have invested kr. 17 by directly buying stocks or bonds and paid in kr. 16 of the kr. 100 in pension contributions, net. The pension contributions reflect that there are also large pension payments ongoing, which reduces the final net figure.

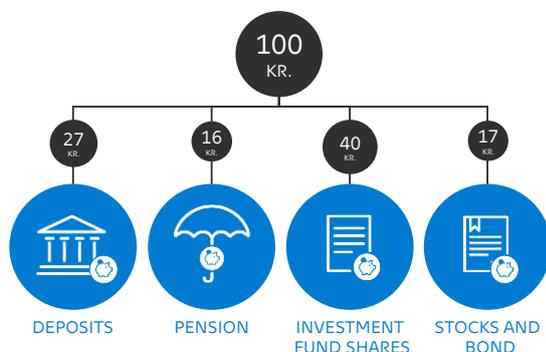
The interest in bank deposits is declining

The Danes' use of bank deposits compared with investments has fallen since 2019, so in the past year kr. 27 was deposited in the bank for every kr. 100 saved. Part of the explanation is the increasing prevalence of negative deposit rates. An analysis from Danmarks Nationalbank has shown that private customers typically reduce their deposits and seek investments when they face the prospect of negative deposit rates¹.

The pension savings are still largest

Fluctuations in the financial markets affect the composition of Danes' assets. Rising stock markets raise the share of assets, which is either directly or indirectly affected by the market – and correspondingly, decrease the share of deposits. Although deposits are constantly increasing, deposits' share of assets has gradually fallen from 26 per cent in 2009 to now about 14 per cent. In comparison, pension savings make up 46 per cent, stocks and bonds 32 per cent and investment fund certificates 8 per cent of households' financial assets.

The placement of households' available funds



Note: Savings of available funds are in this context calculated as households' accumulated net transactions from the 3rd quarter of 2020 to and including the 2nd quarter of 2021 divided into asset classes. Available funds can be a result of net savings or debt accumulation. Find chart data here ([link](#)).

[CLICK HERE FOR FURTHER INFORMATION](#)

¹ See Alexander Meldgaard Otte, Morten Spange and Rasmus Kofoed Mandsberg, The response of household customers to negative deposit rates, Danmarks Nationalbank Analysis, No. 9, April 2021.